

FISCAL NOTE

HB 2792 - SB 3007

March 5, 2002

SUMMARY OF BILL: Specifies that annexing municipalities permitted to be the exclusive provider of utility services in an annexed territory previously served by a utility district must agree to terms with the district for the purchase of the utility functions, properties, and customers. Sets criteria for determining the purchase price if the parties cannot agree, including an amount for the reproduction cost of the facilities being acquired less depreciation, an amount for the cost of constructing new facilities to reintegrate the utility district's system outside the annexed area, and payments equal to a percentage of the gross revenues from sales payable for 10 years.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact - Increase in expenditures of a municipal utility acquiring facilities and customers of a utility district in an area annexed by such municipality. Such utility district is estimated to experience a corresponding increase in revenues from the acquisition by the municipal utility.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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